

INFORMATION LETTER

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NATIONAL CANNERS ASSOCIATION

For Members
Only

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Release from Set-Asides

Canning industry dissatisfaction with the operation of the government canned food procurement program was discussed at the recent Administrative Council and Board of Directors meetings in Berkeley. Likewise, additional expressions of concern over the program have been received by the Association and its Procurement Committee from a number of members.

Chairman Heinz of the N.C.A. Procurement Committee and the Association's staff have maintained constant contact with the Office of the Quartermaster General during the past year. This close working relationship with officials of the Quartermaster General's office has benefited both the government and the industry. Industry problems, when made known to the Procurement Committee, have immediately been brought to the attention of the Office of the Quartermaster General.

The more recent dissatisfactions, it is believed, have stemmed from a rather general understanding within the industry that the Quartermaster General does not intend to purchase the entire amount of canned food requirements announced last April. This belief within the industry was fully discussed by Chairman F. C. Heinz with officials of the Office of the Quartermaster General at the time of the annual convention of the Quartermaster Association on November 2.

There should be no question but
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Schools Have Lessons On Canned Foods

Enclosed with this issue of the INFORMATION LETTER is a copy of the September advertisement of the N.C.A. Home Economics Division, listing the supplementary educational materials on canned foods issued for use in food classes, which this year resulted in an especially heavy response.

The advertisement appeared in the September issues of three leading home economics magazines for teachers. A total of 3,235 teachers re-

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CPR 22 To Be Effective Dec. 19

By Amendment 33 to CPR 22, the Office of Price Stabilization on November 9 ordered CPR 22 to become mandatorily effective December 19. By SR 17 to CPR 22, OPS at the same time provided for optional adjustment of ceilings under terms of the so-called Capehart amendment to the Defense Production Act.

SR 4 to CPR 55

The effective date of SR 4 to CPR 55, which granted an adjustable pricing option to canners of certain tomato products, was made retroactive from October 26 to October 20 by Amendment 1, issued by the Office of Price Stabilization on November 8 (see INFORMATION LETTER of October 27, page 370). OPS said this action was taken because some canners had calculated ceiling prices under CPR 55 which were out-of-line with ceilings before the effective date of CPR 55.

Canning Machinery Requirements

Canners requiring new canning machinery for the 1952 packing season may find it advisable to place orders for the needed equipment at least six months in advance of the desired delivery date.

This suggested foresightedness is believed necessary because of the requirements of the controlled materials plan and other allocation orders, which require fabricators to ascertain quarterly requirements well in advance, in order to meet 45- and 90-day mill lead-times, and to permit government agencies to study applications for priority assistance.

As a result of the defense program, steel, copper and aluminum are under allocation under the CMP, and other essential materials, such as nickel, are in short supply.

By placing orders soon, canners may be able to assure delivery of canning machinery in the third quarter of 1952 even if not in the second quarter.

These regulations will allow manufacturers covered by CPR 22 to calculate adjustments of their ceiling prices under the Capehart amendment, OPS said. This amendment provides for inclusion of costs in addition to those provided in CPR 22 as originally issued, and gives a later cutoff date for figuring cost increases.

The regulations are the first of a series which will be issued by OPS to carry out the provisions of the amended law. OPS said that the two regulations issued November 9 are in effect self-executing. These are the principal differences between CPR 22 as issued and the latest actions, according to OPS:

"(1) Under CPR 22 any of four calendar quarters between July 1, 1949, and June 30, 1950, can be used as a base period for finding pre-Korean prices and costs; under SR 17 manufacturers can use only certain 1950 periods—either January 1 to June 24, 1950, or the two 1950 quarters provided in CPR 22 as issued.

"(2) CPR 22 permits cost increases to be figured from the end of the base quarter selected by the manufacturer. SR 17 provides three alternative methods: increases in cost from the
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Acreage and Production Of Vegetables for Processing

The 1951 production of fall-crop spinach for processing is 15,070 tons, according to a preliminary estimate by the Bureau of Agricultural Economics, announced late yesterday.

BAE also announced its preliminary estimates of production of green lima beans for processing at 91,860 tons, of Georgia pimientos at 15,300 tons, and of cucumbers for pickles at 11,099,000 bushels.

Details will be reported in the next issue of the INFORMATION LETTER.

STATISTICS

1951 Production of Processed Foods Reported Up 20 Percent

Processed fruits and vegetables of all kinds (canned, frozen, and dried) are expected to total 7.67 million tons in 1951, according to latest estimates of the Bureau of Agricultural Economics published in *The National Food Situation*.

This tonnage will exceed the 1950 tonnage by 20 percent. Dried fruit production shows the largest percentage of increase over 1950—up 34 percent, but still 11 percent below the average dried fruit production during the prewar period 1935-39. Canned vegetable production is expected to be up 27 percent from 1950 and canned fruit juices up 18 percent.

The relative volume of production for the various types of processed fruits and vegetables for 1950 and 1951, with percentage comparisons, is shown in the following table:

Commodity	Production—1951		1951 as a percent of '50
	1950 (millions of pounds)	Est. (millions of pounds)	
Total—all processed	12,799	15,325	120
Canned vegetables	5,890	7,500	127
Canned fruit	2,720	2,950	108
Canned fruit juices	2,078	2,450	118
Dried fruit	739	990	134
Frozen fruits	785	835	106
Frozen vegetables	587	690	102

In its report on *The National Food Situation*, BAE also stated:

Fruits

Supplies of canned fruit available to civilians in 1952 probably will be almost as large on a per capita basis as in the preceding marketing year. Retail prices of most canned fruits from the new packs are expected to average somewhat higher than prices in 1950-51. Civilians may have about as much canned fruit juice per person available in 1951-52 as a year earlier. With supplies likely to continue plentiful throughout 1951-52, retail prices of most canned fruit juices in the fall and winter months probably will continue close to present levels, and for the year as a whole average about the same as a year earlier.

Vegetables

Total demand for and consumption of commercially canned and frozen vegetables in 1952 are expected to continue at about the same high levels as in 1951. Civilian demand for canned vegetables probably will be stronger in 1952 than in 1951 because of higher employment and incomes and because of the population increase. Military needs for canned vegetables to come out of the 1951-52

pack may slack off appreciably now that initial pipeline requirements have been met, providing of course that the international situation does not deteriorate further. Total demand for canned vegetables may be almost as strong in 1952 as in 1951, when civilian consumption was at the rate of about 41 or 42 pounds per capita.

Little change from the present level of retail prices for canned and frozen vegetables is expected in late 1951 or early 1952. Prices in late 1952 will depend in part upon what quantities are packed.

Civilian Per Capita Food Consumption

With food production in the United States sustained at a high level in 1950-51, civilian per capita consumption of food continued at about the same rate as in 1949-50, 11 percent above the prewar (1935-39) average rate.

The following table shows the apparent civilian per capita consumption of processed fruits and vegetables for 1950 and 1951, with percentage comparisons:

Commodity	Per Capita Consumption—1951		1951 as a percent of '50
	1950 (pounds)	Est. (pounds)	
Canned vegetables	41.7	41.5	100
Canned fruit	20.9	19.7	94
Canned fruit juices	13.7	15.5	113
Frozen fruit	4.3	4.8	112
Dried fruit	4.3	4.6	106
Frozen vegetables	3.3	3.5	106

Distribution of Processed Fruits and Vegetables

The sharp increase in exports in 1950-51 compared with a year earlier had little, if any, effect on the level of civilian per capita food consumption since the exports were principally grain and grain products, supplies of which have been very large in the past few years.

The following table shows distribution of processed fruits and vegetables for the fiscal year 1950-51:

Commodity	Total Quantity (mil. lbs.)	Percentage of Total Food Distribution		
		Civil- ians (percent)	Mil- itary (percent)	Ex- ports ¹ (percent)
All foods	311,410	83.7	1.9	14.4
Fruits	7,571	80.8	5.8	7.4
Vegetables	8,470	92.4	5.8	1.8

¹ Includes shipments to U. S. territories.

Retail Fruit Prices

Retail prices of foods next year probably will average slightly higher than in 1951, according to BAE. The most important deterrent to an upswing in prices will be the anticipated large food supplies.

Military and export takings of food next year will continue, BAE said, as an important element in the domestic price picture. Food procurement by U. S. military agencies will be large in 1952, but the increase from this year will not be as great as that which occurred between 1950 and 1951.

MEETING

Campbell Speaks at Meeting

Canners have performed a good public service in resisting the inflationary pressures that have caused both prices and wages to advance since 1939, it was stated this week by N.C.A. Secretary Carlos Campbell in an address before the annual convention of the Iowa-Nebraska Canners Association.

The inflation-resistant strength of canned foods is demonstrated, Mr. Campbell pointed out, in the experience of the Army Quartermaster Corps. "We all know that inflationary pressures have brought a greatly increased cost to the nation in the maintenance of our armed forces.

"In 1941, the Quartermaster purchased a day's ration for one soldier for 43.5 cents," Mr. Campbell said. "Today that same amount of food costs the Army \$1.0225, or roughly two and one-third times as much. But when the Quartermaster buys canned foods for soldiers, the story is different. He finds that the same quantity of canned foods purchased in 1941 for 43.5 cents can be bought by the Army today for 71 cents.

"This represents an increase of less than two-thirds as compared with the two and one-third increase in price for all foods," Mr. Campbell explained.

Lessons on Canned Foods

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sponded to the listing and requested materials for approximately 450,000 students. The N.C.A. educational materials are used in classroom work and are later taken home, where parents have an opportunity to see them. Thus, the materials reach the members of existing families as well as future homemakers.

Mailings from the Home Economics Division have been especially heavy this year. At the beginning of the school year many requests are received from teachers who have seen the N.C.A. educational publications listed in professional magazines.

The leaflet *Guide for the Use of Canned Foods in Emergency Feeding* has filled a demand by civil defense committees. Approximately 70,000 copies have been sent to all parts of the country.

During the two-month period of September and October, a total of 744,500 N.C.A. home economics publications has been distributed.

TAXES

Revenue Act of 1951

The Revenue Act of 1951, which became law with the President's signature on October 20, will produce approximately \$5.7 billion additional revenue annually when fully effective under the business conditions anticipated for the calendar year 1952. Substantial increases in the individual income tax rates, the general corporate tax rates, and, in effect, the excess profits tax rates are accompanied by many structural changes in the income, excess profits, and estate and gift tax law. Many rate increases and some rate decreases are provided for in the provisions relating to excise taxes.

The complexity and comprehensiveness of the new tax legislation makes a concise summary of its effect in areas of interest to canners impossible. A comprehensive summary of the provisions of the new tax law prepared by the staff of the Joint Committee on Internal Revenue Taxation may be obtained from the Government Printing Office in Washington at a cost of 25 cents.

PERSONNEL

Assn. of Pacific Fisheries

The Association of Pacific Fisheries reelected its officers at the association's annual meeting. They are:

President—Vance F. Sutter, Fidalgo Island Packing Co., Seattle; first vice president—Aubin R. Barthold, Alaska Packers Association, Seattle; second vice president—J. A. Green, Pacific American Fisheries, Inc., South Bellingham, Wash.; third vice president—E. W. Thompson, Columbia River Packers Association, Inc., Astoria, Ore.; fourth vice president—C. F. Johnson, Port Ashton Packing Corp., Seattle; and secretary-treasurer—E. D. Clark, Seattle.

Iowa-Nebraska Cannery Assn.

The Iowa-Nebraska Cannery Association elected the following officers recently at the association's annual convention:

President—John Martland, Green Giant Co., Vinton, Iowa; vice president—Clark Hagan, Sac City Canning Co., Sac City, Iowa; and secretary-treasurer—Roy Chard, Audubon, Iowa (reelected).

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date on which the manufacturer received the highest price between January 1 and June 24, 1950, or June 24, 1950, for all of his commodities, or from the last day of the two 1950 base period quarters of the regulations.

"(3) CPR 22 provides increases in labor costs up to March 15, 1951, and increases in most materials to either December 31, 1950, or March 15, 1951, depending upon the material involved; SR 17 makes July 26, 1951, the cutoff date for both labor and materials.

"(4) CPR 22 takes into account only changes in the cost of factory labor and manufacturing materials, while SR 17 allows inclusion of all cost increases, including increases in overhead costs, except those considered 'unreasonable or excessive'."

OPS said that in the near future it will issue:

"(1) A small business supplement to CPR 22, to be issued in the next few days, providing a somewhat simpler formula for adjusting ceiling prices, available as an option to manufacturers with net sales during their last fiscal year (ended not later than October 31, 1951) of \$1,000,000 or less, and whose net sales during the first half of 1951 did not exceed net sales during the first half of 1950 by more than a specified percentage.

"(2) A revision of SR 2 to CPR 22, to permit manufacturers under CPR 22 who elect to use the new supplement to CPR 22 the option of adjusting their GCPR prices instead of their base period prices, thus enabling them to maintain the price relationships among different products prevailing under GCPR.

"(3) A General Overriding Regulation allowing adjustment of ceilings under the amended law for manufacturers who are not covered by CPR 22.

"(4) A small business General Overriding Regulation providing a simplified method of applying for adjustment of ceilings under the Capehart amendment for manufacturers not under CPR 22 and doing less than \$250,000 of business a year.

Release from Set-Asides

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what the Army will buy all canned foods set aside pursuant to the procurement program when they are in the preferred can sizes and styles of pack as set forth in the set-aside orders issued by the Department of Agriculture. Thus where the industry's set-asides of a particular commodity in the preferred can sizes and styles of pack equal the total requirement for the commodity as announced

last April, that total requirement will be purchased. In the case of some commodities, however, current military needs may be met by the Army procuring only those portions of canners' set-asides that are in the preferred container sizes and grades and meet the preferred styles of pack. In such instances the Office of the Quartermaster General has indicated willingness to advise the Department of Agriculture to release canners from their set-aside responsibility.

In explanation for this policy, it is pointed out that the canning industry greatly exceeded the Quartermaster's estimates of the amount of canned food supplies they would obtain at the time of the Convention in Chicago last February. The feeding of canned foods to military personnel within the continental United States also was suspended for a substantial period of time early this year. Estimating the total of military requirements from this year's packs was further complicated by the uncertain international situation.

To maintain the first responsibility to the Office of the Quartermaster General, military requirements had to be estimated well in advance of possible use and at levels sufficiently high to meet severe conditions. Fortunately, and particularly for our military forces, the conflict in Korea and the entire international situation has not met the demands for which estimates had to be established.

The military procurement program, to be successful, must be a cooperative effort of the industry, the Army's field buying organization, and the Office of the Quartermaster General. Obviously, every individual whether an employee or official of the government or a canner, cannot always be right up to date. When canners are uncertain as to procurement policies or believe that policies are in error, it will be helpful to both the Quartermaster General and the industry, if such questions are immediately brought to the attention of the NCA Procurement Committee or to the Quartermaster General so that they can be straightened out in a mutually satisfactory manner.

Chairman Heinz is planning for a meeting of the Procurement Committee with officials of the Office of the Quartermaster General and the Quartermaster Association in the near future. At this meeting the operation of the Army's procurement program during the past year will be reviewed and analyzed for the primary purpose of bettering the operation of the program in 1952.

PROCUREMENT

RSP Cherries for USDA

Intentions to buy canned RSP cherries have been announced by the Production and Marketing Administration, USDA. Offers will be considered on 16,117 cases 24/2's and 4,683 cases 6/10's, U. S. Grade C (Standard) or better, and labeled according to special specifications.

Offers must be received by PMA not later than 9 a.m. EST November 19, for acceptance by November 23. Details on the purchase may be obtained from D. M. Rubel of PMA.

STANDARDS

Pineapple Standards Hearing

The hearing to establish definitions and standards of identity, quality, and fill of container for canned pineapple and canned pineapple juice was held before the Federal Security Administrator, pursuant to the notice which was published in the *Federal Register* of August 29.

This hearing originally was scheduled for October 17, 1949, but was postponed until October 30 of this year. Proposed standards were submitted by the N.C.A. on behalf of the Pineapple Research Institute and the Puerto Rican Cannery Association, and were considered at the hearing. The text of these proposed standards was published in the *INFORMATION LETTER* of September 1, beginning on page 315.

Prior to the hearing, extensive data were assembled by industry standards committees of both the Hawaiian and Puerto Rican canners. Representatives of these committees spent considerable time in Washington, working with N.C.A. staff and counsel in preparation for the hearing. In addition, a number of representatives from both the Hawaiian and Puerto Rican groups appeared as witnesses at the hearing.

After four days of receiving testimony, the hearing was concluded on November 2, and the record closed on the standards of identity and quality for canned pineapple, and the standards of identity, quality, and fill of container for canned pineapple juice. Corrections to the record are to be filed with the hearing officer, Bernard D. Levinson, on or before November 13, 1951. Briefs and proposed findings of those portions of the proposed

Binders for Labeling Manual

Loose-leaf binders to fit the labeling manual, *Modern Labels for Canned Foods*, are available from the N.C.A. for \$1.50 each. Requests together with payments should be addressed to the Labeling Division, National Cannery Association, 1133 20th Street, N. W., Washington 6, D. C. A copy of the N.C.A. labeling manual has been mailed to each canner.

standards on which the record was closed are to be filed on or before December 17.

Because of the fact that additional data must be collected on fill of container for canned pineapple, the record on this portion of the proposed standard will remain open, and additional hearings will be held, commencing March 4, 1952, to receive further evidence. The Hawaiian and Puerto Rican industry standards committees are proceeding with the preparation of necessary data.

Standards for Dry Edible Beans

The Production and Marketing Administration, USDA, has amended U. S. Standards for dry edible beans. The amendments affect standards for Mung, Yelloweye, and Old Fashioned Yelloweye beans and become effective upon publication in the *Federal Register*.

DEATH

Stran Summers

Stran Summers, president of the firm of Charles G. Summers, Jr., Inc., New Freedom, Pa., died suddenly November 3 following a series of heart attacks which began the evening before.

Mr. Summers had been in the canning industry since boyhood. He worked in the Summers canning plant in almost every capacity and made himself familiar with all phases of canning production and sales operations.

A native Baltimorean, Mr. Summers was graduated from Johns Hopkins University in 1925 and then joined the Summers firm on a full-time basis. He succeeded to the presidency of the company in 1945, following the death of his father.

Mr. Summers was very active in the affairs of the N.C.A. and of the Pennsylvania Cannery Association, of which he was president for three years, 1947, 1948, and 1949. He was a member of the N.C.A. Board of Directors in 1937-39, 1943-45, and 1950-51; a member of the Claims Committee in 1947 and its Chairman in 1948; and a member of the Labeling Committee, 1950 and 1951.

He is survived by Mrs. Caroline Stone Summers and two sons, Thomas S. Summers and C. Dwight Summers.

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